Pellegrino, Rachel

From: Morris, Craig
Sent: Tuesday, January 04, 2011 5:28 PM
To: Brown, Brian (TM)
Subject: FW: Small Business Study

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From: David Allen Hall (b)(6)
Sent: Friday, November 19, 2010 11:54 AM
To: TMFeedback
Subject: Small Business Study

1. I am registered patent attorney sole practitioner in a small central Texas town. I have approximately 85 clients, most of whom are small business owners who cannot afford the services of most law firms. I have registered trademarks and service marks for approximately 25 of those clients.

2. On 8/18/2009 I filed trademark application No. 77807286 for a client's moisturizing lotion start-up business. Prior to filing I performed a search and discovered that a California division of a multinational Swiss firm owned two registrations and one application for the same mark for marketing sophisticated medical monitoring, therapeutic, and diagnosis equipment, chemicals for medical research, and computer software. Because none of the international classes for which the Swiss corporation's mark was registered or applied was the same as the class for which my client intended to apply, and because the Swiss corporation's sophisticated target market did not overlap my client's consumer market, I advised my client that his registration would likely be allowed.

My client's application was approved and published, but was opposed by the Swiss corporation on the ground of likely confusion. In subsequent discussion, Opposer's counsel admitted that his formal ground would be that his client's zone of natural expansion would include moisturizing lotion. I believe the Opposer was relying more on bullying than on case law, but my client could not afford an expensive time-consuming opposition procedure against international deep pockets. During a pro se conference, my client was forceful enough to elicit a settlement from the Opposer, but he had to abandon his application on 9/1/2010, more than a year after its filing.

3. Other than the incident described above, none of my clients have received a cease-and-desist letter.

4. I filed a service mark infringement suit in a Texas District Court and won a no-answer default judgment that included attorney's fees under Title 15, Section 1117. If the judgment is appealed, I will have to argue against the prevailing precedential case, *Texas Pig Stands, Inc. v. Hard Rock Café Intern., Inc.*, 951 F.2d 684 (5th Cir. 1992). In a 2-1 pun-filled decision, the Pig Stands panel gave "willful" a definition that carries far beyond standard and legal dictionary definitions, and puts an infringed small business owner at risk of bankruptcy if he sues for his trademark rights and the infringer is not a serial killer. The decision takes all teeth out of the constructive notice statutes, Title 15 Sections 1057 and 1072. Trademark infringement is a strict liability cause of action for which the recovery of attorney's fees should also be strict. I suggest the Trademark Office lobby Congress for amendment of Section 1117 or the Definitions section to reflect such an equitable outcome. The dissent in Pig Stands had it right.

5. See Question 2.

6. Yes, I think trademark "bullies" are currently a problem for trademark owners. My personal statistics indicate 1 in 25.

7. I do not know.

8. Yes, I believe the USPTO has a responsibility to discourage or prevent trademark bullying. I suggest the Trademark Office lobby Congress for amendment of Section 1117 or the Definitions section as mentioned in my answer to Question 4.

9. Yes, I think the U.S. courts have a responsibility to do something to discourage trademark bullies because Title 15 is the tool bullies use. But I believe the problem has to be addressed by Congress. I suggest the Trademark Office lobby Congress for amendment of Section 1117 or the Definitions section as mentioned in my answer to Question 4.

10. I do not know.

11. Yes, I think Congress has a responsibility to do something to discourage or prevent trademark bullying. I suggest the Trademark Office lobby Congress for amendment of Section 1117 or the Definitions section.

12. Please read the Pig Stands dissent. It is a concise argument for federal rights granted by a Congress intent on protecting US businessmen from cavalier predation. That protection has been emasculated by a few judges who have redefined a single adjective.

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